

## Nick Lampone

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**From:** Nick Lampone  
**Sent:** Thursday, January 14, 2021 8:10 AM  
**Subject:** The Morning CORE  
**Attachments:** Core logo.png

**US Futures-World Markets:** S&P futures trade higher as investors await details of Biden's relief package. He is expected to give a speech today outlining his spending plan. We've traded in a tight range this week ahead of earnings season, so let's see if analysts start raising 2021 estimates to bring the S&P P/E ratio down a bit. Early data on the J&J vaccine looks promising. This may help support equity prices. I forgot Tesla is allowed to downtick (+21% YTD). It's -2% after a recall of 158k vehicles over safety concerns. Alibaba and Tencent were +5% on news the US will allow Americans to continue to invest in China big tech companies. Larry Fink was on CNBC pushing to raise top personal income tax rates and massive infrastructure spending. Always love billionaires telling the peons to pay their fair share. Blackrock is +1% after solid earnings. Delta is +2% after reporting numbers. IPO mania continues as Poshmark (\$42 pricing) and Petco (\$18 pricing) begin trading today. Affirm is up 85% from where they priced the deal earlier this week. They left plenty of money on the table but smart to slap these deals on the tape in a hot market. US jobless claims are released at 8:30 am EST. Forecast is for 795k news claims. S&P Futures vs. Fair Value: +6.60, 10-Yr Yield: 1.114%.

### CORE Headlines:

- The second impeachment of President Donald Trump by the U.S. House of Representatives, for inciting last week's deadly rampage at the Capitol, could set off a bitter Senate fight that entangles the early days of President-elect Joe Biden's term.-Reuters (We have a pandemic. Just get down to business.)
- The Trump administration has scrapped plans to blacklist Chinese tech giants Alibaba, Tencent, and Baidu, four people familiar with the matter said, providing a brief reprieve to Beijing's top corporates amid a broader crackdown by Washington.-Reuters
- President-elect Joe Biden is expected to unveil a \$2 trillion stimulus package (tonight at 7:15 PM ET) which will include direct payments, state and local funding, and vaccine distribution (Note: This article did not mention any potential tax increases connected to this relief package).-CNN
- Chinese President Xi wants Starbucks (**SBUX**) to assist with improving US-China relations.-Bloomberg (\$7 latte diplomacy?)
- In a Supreme Court case, the justices voiced mixed views about whether the Federal Trade Commission has authority to demand that defendants who cheat or deceive the public must return the money they gain from that activity.-WSJ
- A confidential UN report says Iran has taken a significant new step toward possible atomic-weapons production, starting work on an assembly line to manufacture a key material used at the core of nuclear warheads.-WSJ
- A team of WHO specialists in Wuhan, China, will comb through hospital records, test samples of sewage and blood donations, interview early victims, and map food and people at the market in Wuhan where the earliest Covid cases were identified.-WSJ (My guess is they will be interviewing actors, not real people.)
- AFRM: The next-generation platform for digital and mobile e-commerce raised \$1.2B with an initial public offering that priced well above expectations and gave it a valuation of about \$23B—the IPO was several times oversubscribed, according to IPO Boutique.-IBD

- Blood plasma transfusions with high concentrations of Covid-19 antibodies reduced deaths among some virus patients, according to a new Mayo Clinic study, lending credibility to one of the few known treatments.-NYP
- Despite a Brexit trade deal with the EU, promises made by Brexit campaigners that leaving the bloc would free companies from needless bureaucracy are proving false—shipments now require massive paperwork, including customs declarations and health certificates.-NYT
- US president-elect Joe Biden is set to name Kurt Campbell, a veteran foreign policy expert and top Pentagon official, to serve in the newly created role of Asia czar, a sign of the growing importance of US-China relations.-FT
- Researchers in the US discovered two new variants of the coronavirus, one of which has become the dominant strain in Columbus, Ohio during the past three weeks, and they warn that mutations could make the disease more easily spread; related story says Abdool Karim, one of the world's top global infectious disease experts, says contagious new variants are likely to emerge more frequently around the world.-FT

### Interesting Reads/Charts:

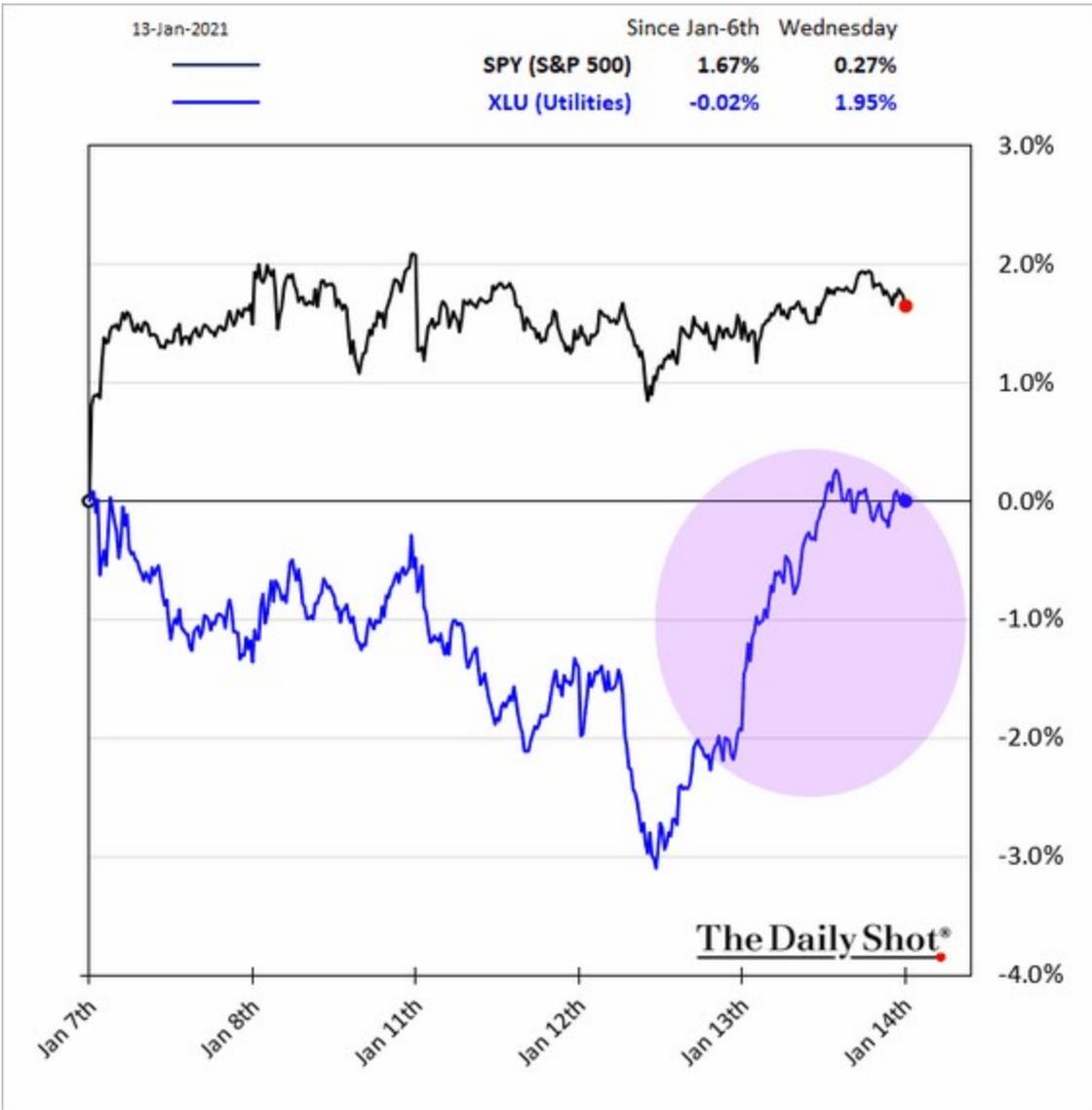
- Hechinger Report: Nursing programs aren't equipped to handle the demand <http://bit.ly/35DbK4b> (We don't have enough nurses, but we're turning nursing school applicants away. Incentivize higher pay for nursing instructors?)
- Miami Herald: New law requires LLC's buying real estate to reveal the owner's identity <http://hrlld.us/2LN0n2v> Miami wouldn't exist if they did this in the '80s
- Readers Digest: 40 iPhone tricks to make your life easier <http://bit.ly/3qloxi0>
- Men's Health: Mullets are making a comeback. How to grow one. <http://bit.ly/35FEkSF>

### Charts from The Daily Shot:

Defensive shares outperformed on Wednesday, boosted by higher Treasury prices.



- Utilities:



• REITs:



Here are a couple of other sector charts.

- Housing:



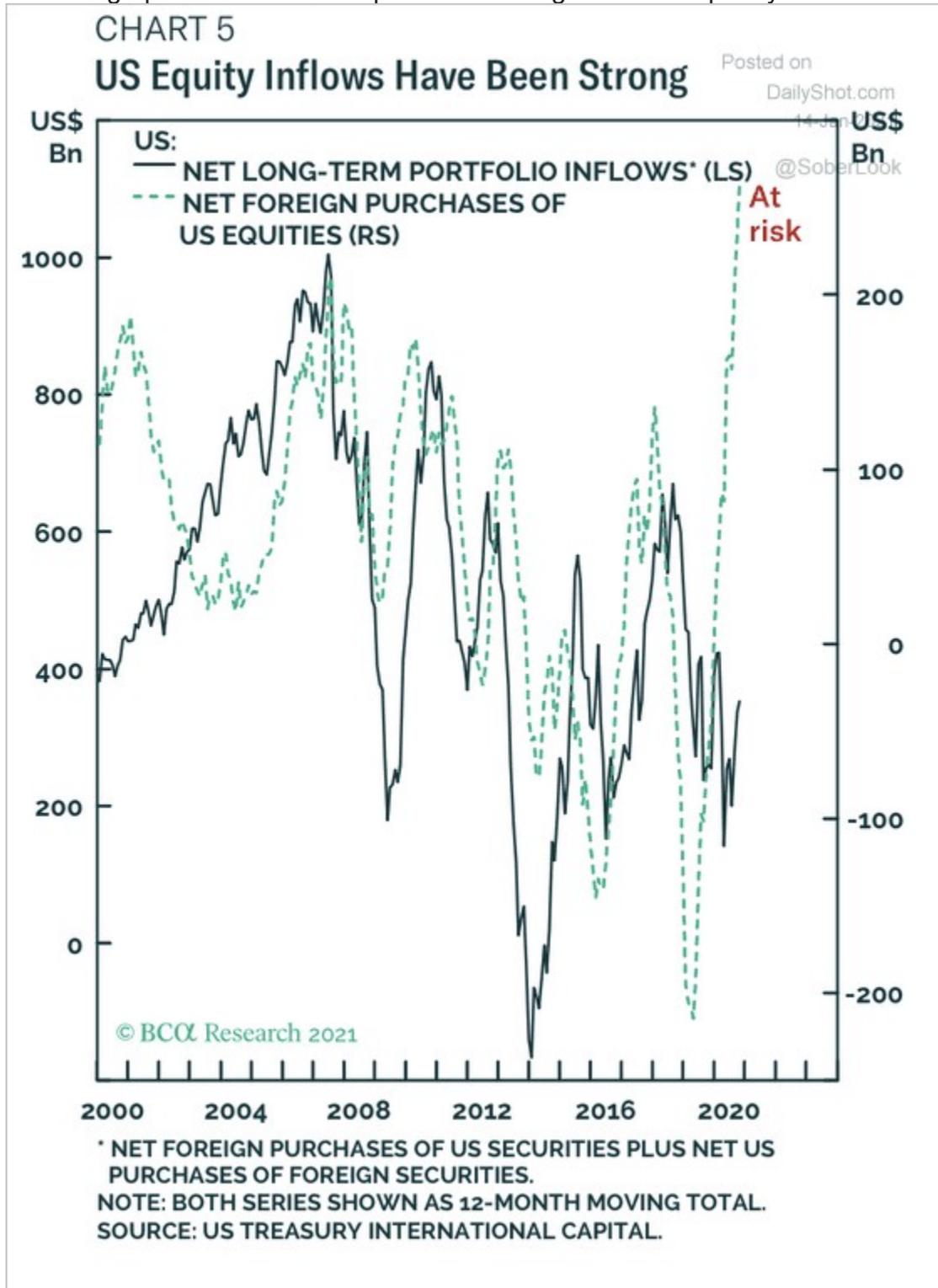
- Semiconductors: (I always feel bad for the CEO's who announce their departure and see their stock price shoot up 10% on the news. Are they aware they were that bad at their job?)





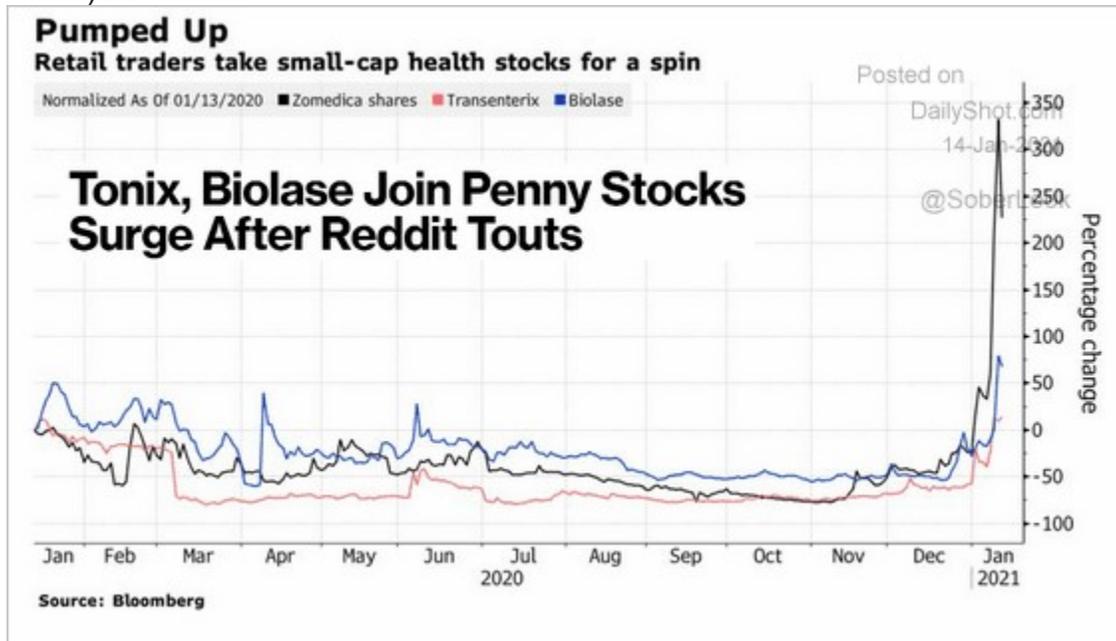
Source: @WSJ [Read full article](#)

Net foreign purchases of US equities have surged over the past year.



Source: [BCA Research](#)

Speculators are increasingly chasing penny stocks. (Trading volumes have been very high to start 2021.)



Source: @markets [Read full article](#)

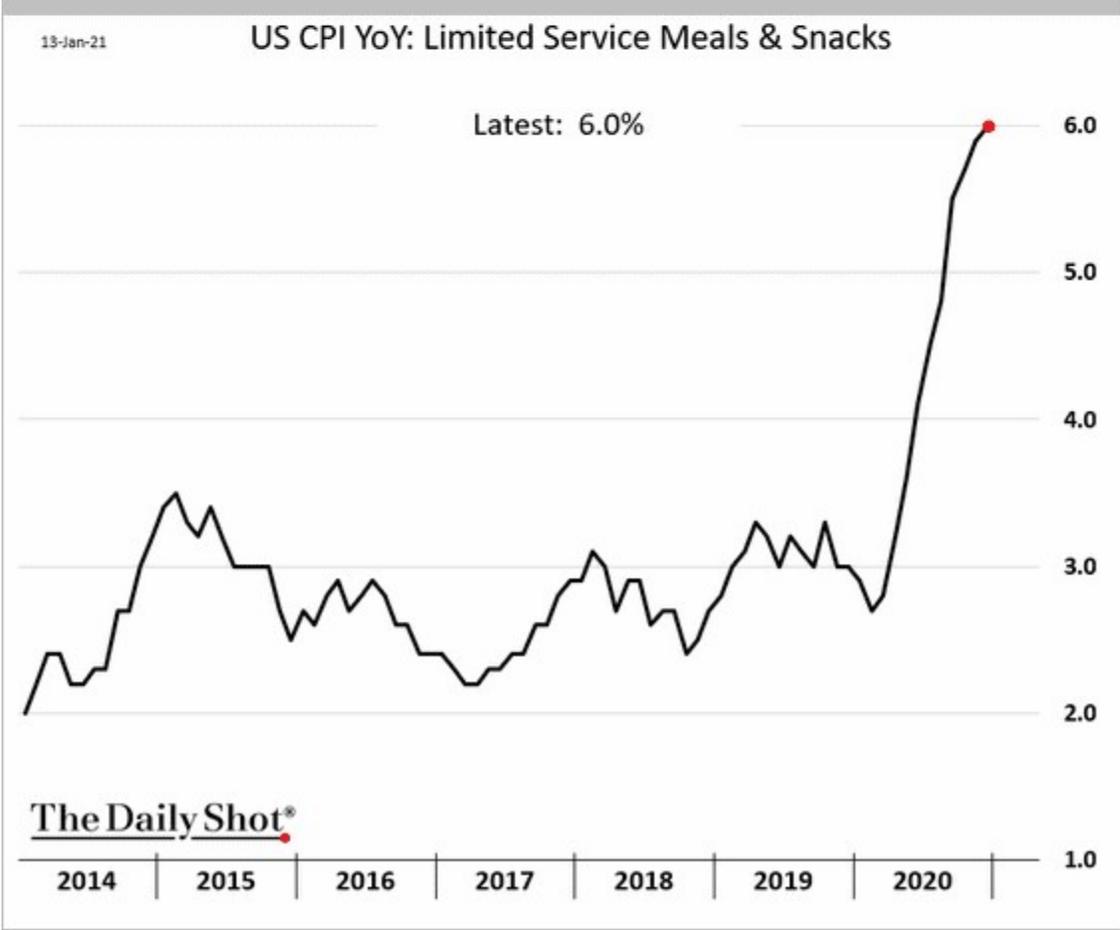
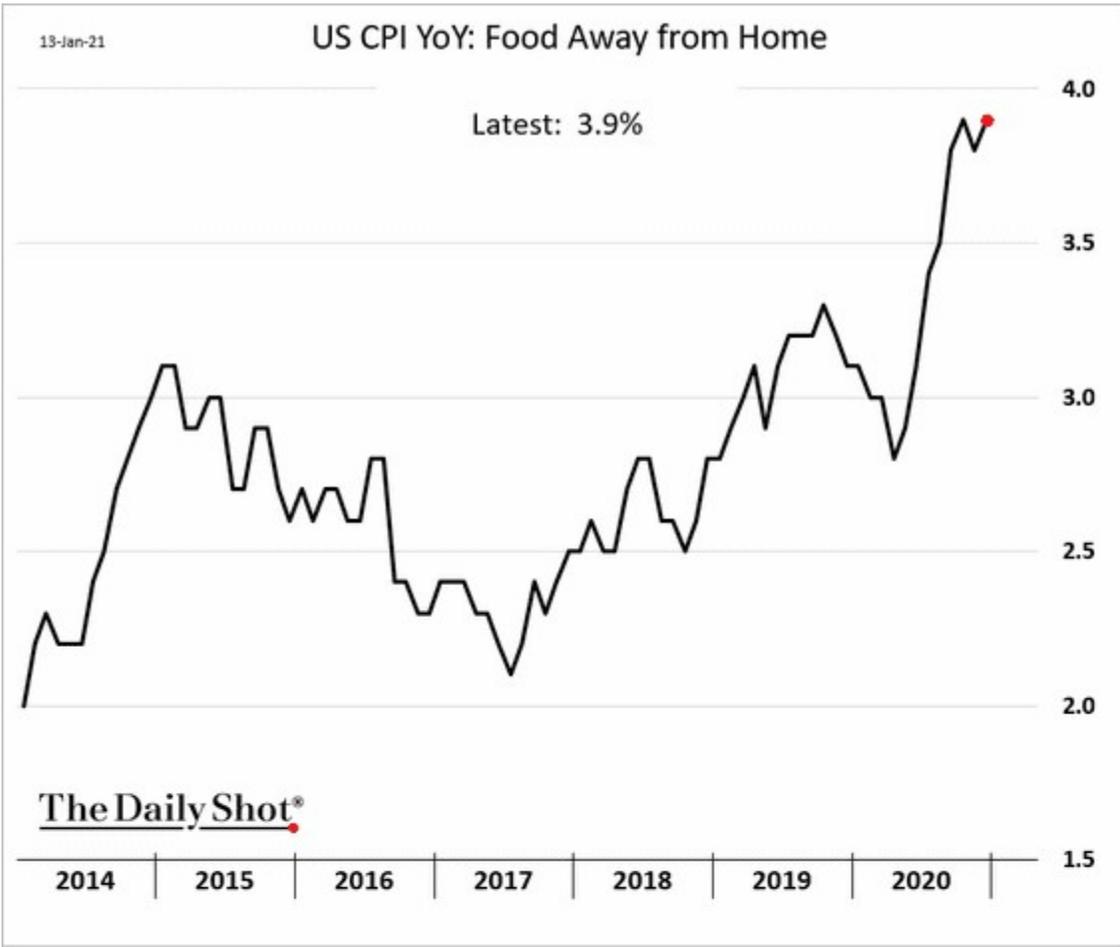
A look at some inflation data.

US dollar weakness should boost apparel prices further (most US apparel is imported).

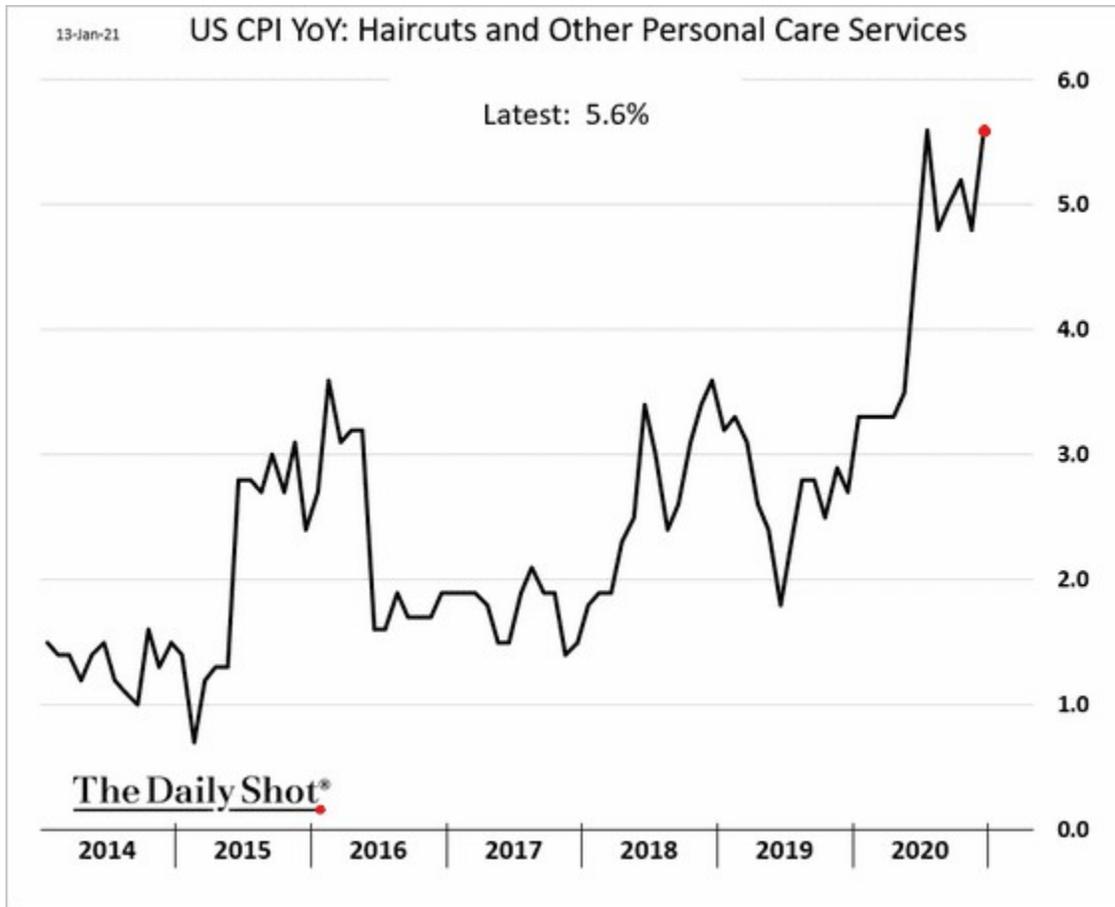


Source: [Pantheon Macroeconomics](#)

Restaurants (the second chart shows fast-food inflation):



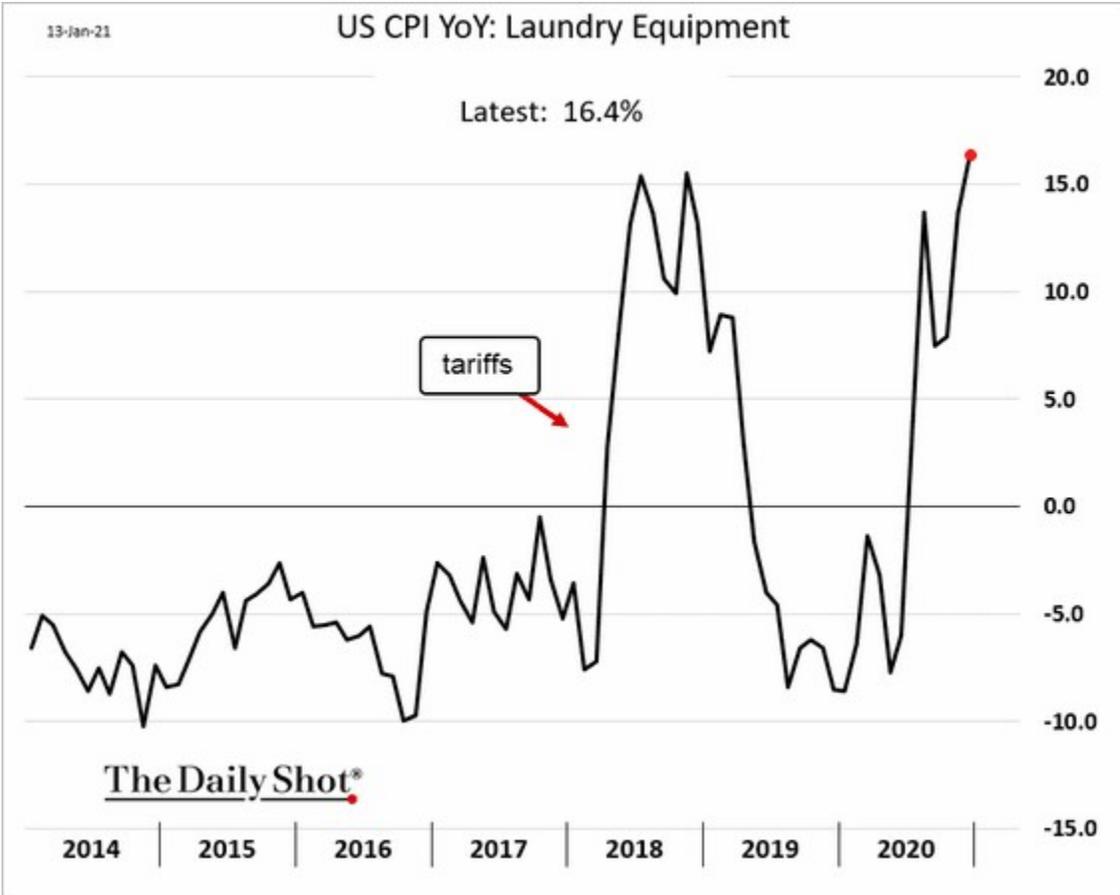
— Haircuts:



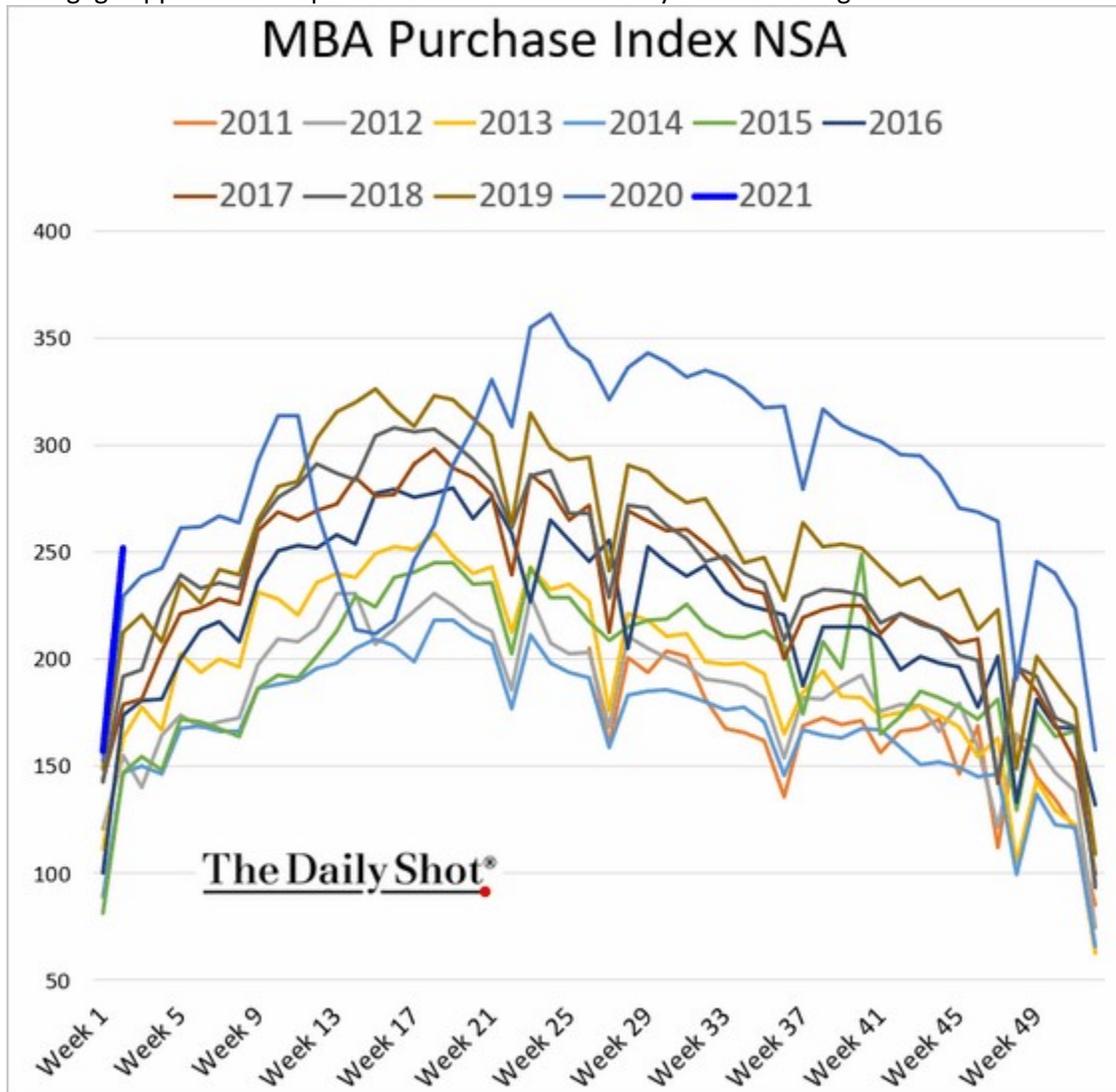
Cleaning products



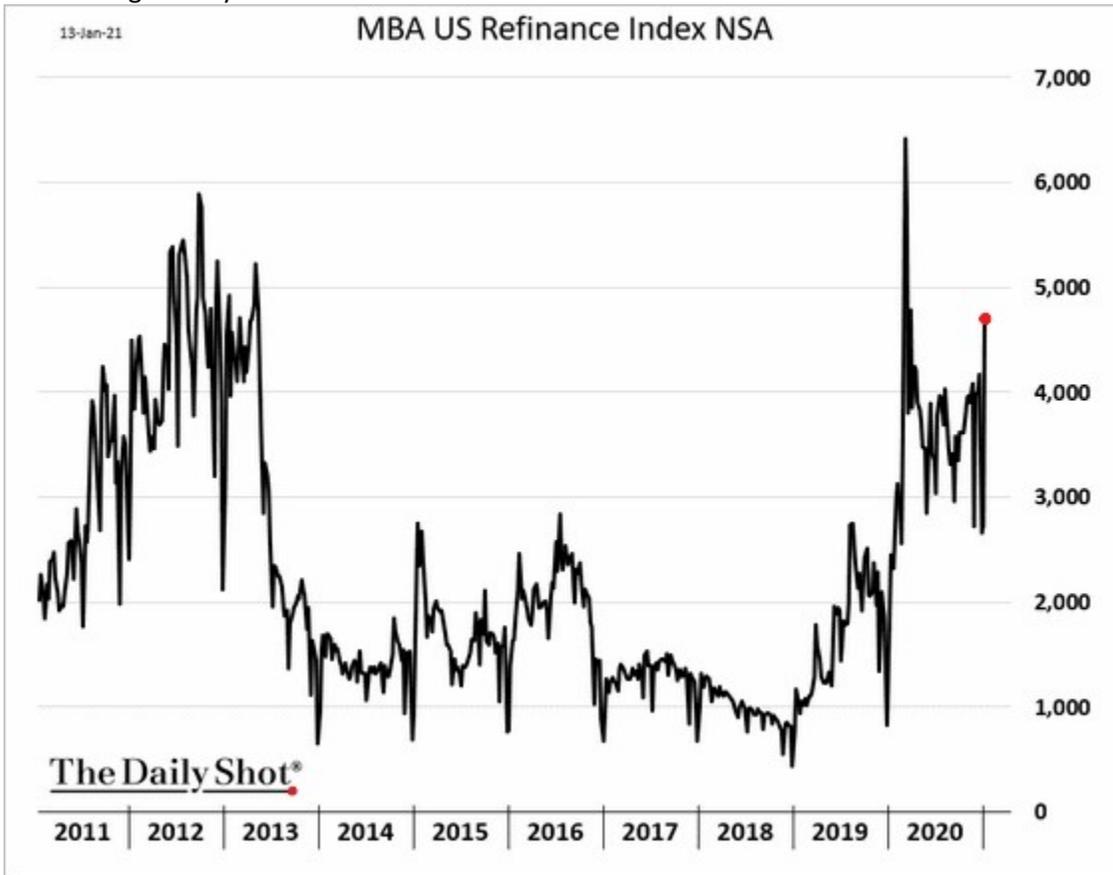
— Washing machines:



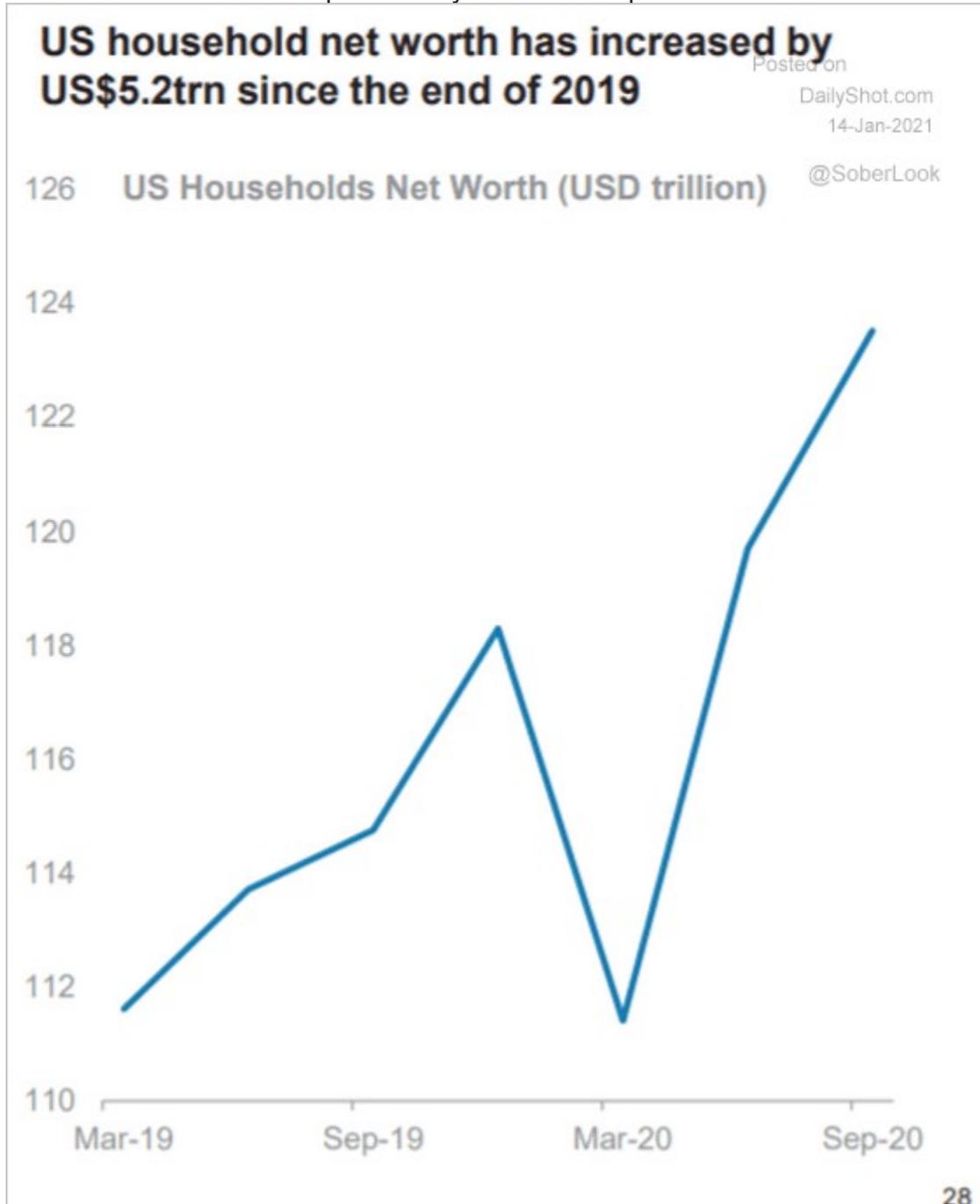
Mortgage applications to purchase a home started the year on a strong note.



Refinancing activity is also robust.

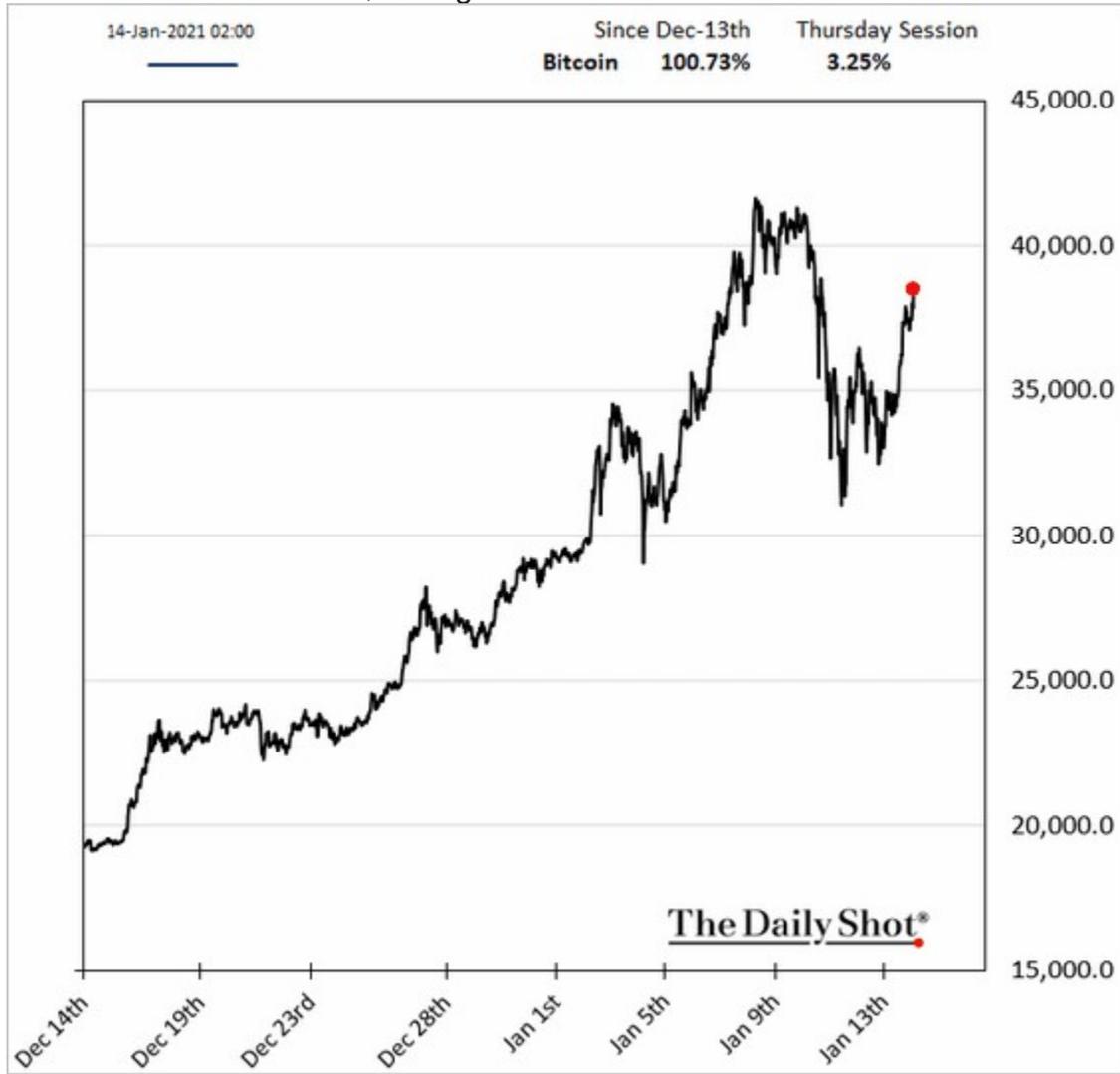


US household net worth spiked last year as home prices and stocks soared.

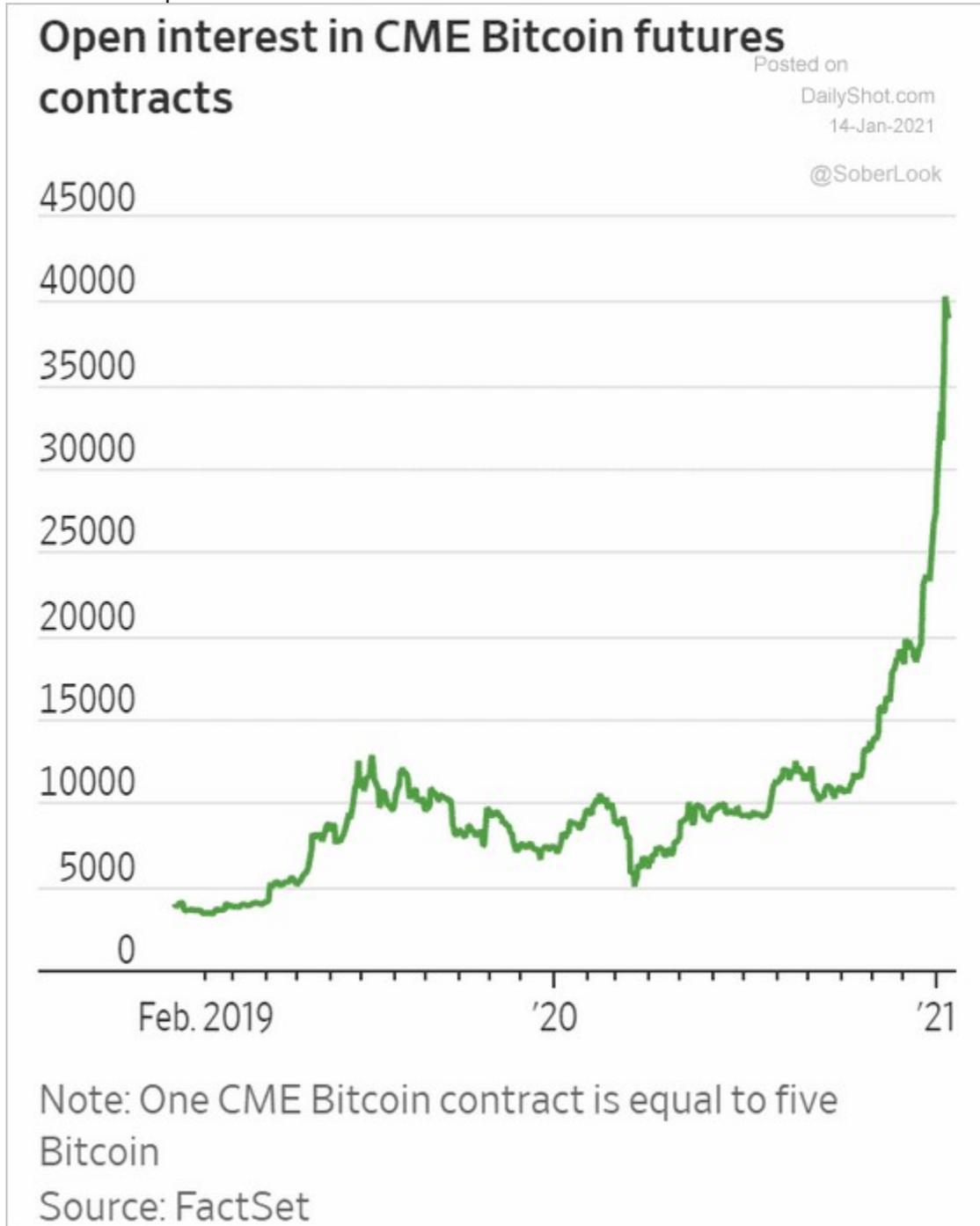


Source: [Morgan Stanley Research](#)

Bitcoin is headed toward \$40k again.



Here is the open interest in CME Bitcoin futures.



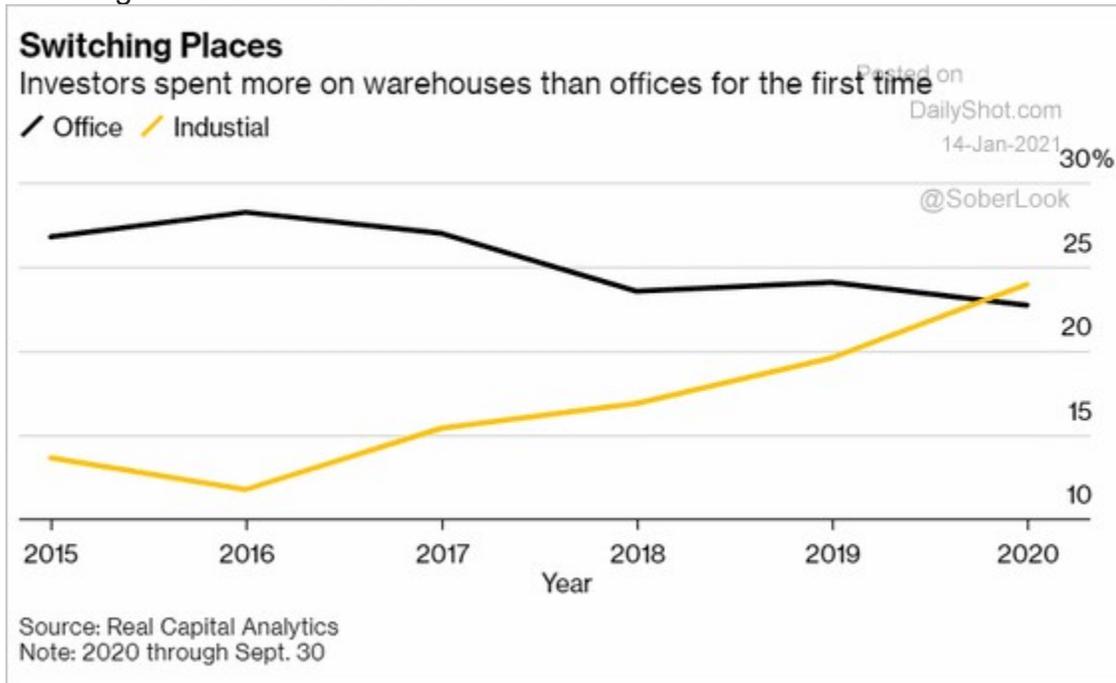
Source: @WSJ [Read full article](#)

Gold is at support.



Source: barchart.com

Investing in warehouses vs. offices:



Source: @markets [Read full article](#)

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